

Recovery Zone Facility Bonds Application Deadline Extension – July 30, 2010 – Message from Ray Mosser, King County Economic Development Manager

On March 23rd, I wrote you regarding the availability of Recovery Zone Facility Bonds, a new type of tax-exempt private activity bond created under the American Recovery and Reinvestment Act. The amount of Recovery Zone Facility Bonds allocated to King County is \$34,754,000.

These bonds can fund depreciable business assets and are available to most businesses. These bonds are tax-exempt to the purchaser and are purchased by banks or other lenders in lieu of a conventional mortgage loan. This is not a direct funding program from King County.

Project applications were due on May 14. We received two applications which we are forwarding on for bond issuance and funding by the applicants' banks. ***As we still have \$20.054 million unallocated, King County is extending the application deadline to July 30, 2010.***

The county's allocation is available to commercial and industrial projects in unincorporated areas and in cities excluding Bellevue and Seattle. Bellevue and Seattle have their own allocations. I have attached an overview of the program and a project application for you to review and share with businesses in your jurisdictions or areas. A few key points to note are:

- 10 ➤ King County will decide which projects receive bond allocations, and these projects will be forwarded to the Washington Economic Development Finance Authority (WEDFA) for processing and bond issuance.
- 10 ➤ WEDFA will request a resolution supporting the project from the appropriate legislative body.
- 10 ➤ Projects must create or retain jobs. A project claiming job retention will need to provide documentation to prove job loss without this funding.
- 10 ➤ Applications are physically due at the King County address shown on the application no later than July 30, 2010 at 4:00 PM. Late applications will not be reviewed or considered.
- 10 ➤ The minimum project size is \$1,000,000.
- 10 ➤ Most businesses are eligible, however the application instructions list those that are not.
- 10 ➤ Depreciable property constructed, renovated, or purchased after March 29, 2010 is eligible for Facility Bond financing. Land is ineligible for Facility Bond financing, but could be financed from other sources as part of a total project.
- 10 ➤ *Working capital is not eligible.*
- 10 ➤ Applications must include a preliminary bond counsel opinion and a letter of interest or commitment from a bank or other lender.
- 10 ➤ Bonds must be sold by December 31, 2010.

Please call me at 206-205-0707 if you have any questions.

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